

Army, DIA, OSD and State Dept
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GENERAL

1. Proposed Turkish reply to Soviet note on Straits--The Turkish Foreign Office has informed US Embassy Ankara that it is considering a reply to the Soviet note on the Straits which would declare "inadmissible" the Soviet proposals for restriction of responsibility for the Straits "regime" to "Black Sea powers" and for joint Soviet-Turkish defense of the Straits. The Turks regard the latter as contrary to Turkish sovereignty and as a cover for Soviet bases in the Straits. The reply would also (a) deny Soviet charges that Turkey permitted violation of the Montreux Convention during the war, (b) invite attention to the failure of the Soviet note to comply with procedures prescribed in the Convention, (c) agree to "revision" of the Convention but not to a new "regime," and (d) agree to discuss, "under proper circumstances," Soviet proposals for passage of ships through the Straits.
2. British motives in diverting Jews to Cyprus--The British Embassy in Cairo has informed the US Legation that the UK is diverting illegal Jewish immigrants to Cyprus in order to thwart (a) an apparent Zionist plan to "force illegal immigrants in overwhelming numbers on Palestine" and (b) a suspected Soviet plan to place considerable numbers of "trained Communist agents" on ships leaving Soviet-controlled ports and among the Jews coming from the USSR and Poland through Italy. The British expressed the hope that the US would not object to the Cyprus plan, adding that most immigrants would be sent to Palestine "as quotas become available."
3. Arab Conference may split over use of violence--US Legation Cairo reports that the Arab Foreign Ministers' Conference, which convenes on 12 August in Alexandria, may produce a struggle between (a) the Iraqi and Palestinian Arabs, who favor "Arab self-help by violence," and (b) the more moderate group led by the Secretary-General of the Arab League.

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EUROPE-AFRICA

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5. USSR: Reported development of radio-guided rockets--General Weems, US Representative ACC Hungary, has been informed

Soviet authorities recently have brought three German weapons experts to Hungary to work on gas fuels for rocket weapons. One of the Germans, now in Soviet uniform, is said to have stated that the USSR is conducting extensive research on radio-guided rockets, which already have been developed to fly "over 700 miles and return," and are referred to as "V-3" and "V-4." Weems characterizes the report as "possibly true."

6. FRANCE: Communist "patriotism" unlikely to win votes--US Military Attaché Paris believes that withdrawal of French Communist representatives from the High Court of Justice (on grounds that collaborators are being acquitted or sentenced too lightly) is part of a Communist effort to establish the Party as the "most patriotic." The MA comments that such tactics are unlikely to win many votes at the next elections, and points out that Communist attempts in the Assembly to invalidate the elections of three Deputies associated with the fall of France and to re-organize the High Court were both overwhelmingly defeated.

7. HUNGARY: Government not expected to survive peace settlement--General Weems reports that, in view of the diminishing spirit of cooperation among political parties, it is "highly questionable" whether Nagy's coalition Government will remain in power after the Peace Conference.

8. BULGARIA: Efforts to circumvent treaty limitations on Army--According to US Political Representative Barnes, the Bulgarian Interior Minister has submitted to the Assembly a bill creating a new "frontier militia" to be "recruited from the barracks." Barnes believes that the bill is a step in the Government's efforts to circumvent peace treaty limitations on the Bulgarian military establishment.

9. IRAN: Qashqai tribe may turn against Qavam--One of the chiefs of the powerful South Iranian Qashqai tribe, which recently indicated it would support Qavam (see Daily Summary of 24 July, item 9), has told Allen that he expects the Qashqai to turn against Qavam because of the "pro-Tudeh composition of Qavam's new Cabinet." The chief believes that Qavam "has irretrievably passed the Government into Tudeh hands"

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and stated that the Qashqai intend to prevent Tudeh penetration into their area by force if necessary.

FAR EAST

10. KOREA: Joint Commission postponed indefinitely--General Hodge reports that the USSR, in its reply to his 15 June suggestion that Joint Commission negotiations be resumed, persists in excluding all opponents of trusteeship from consultation and continues generally to confuse Communism with Democracy. Hodge is "ready to go on record as saying that so long as we tolerate the activities of the Kremlin-controlled Communist Party in our occupation zone, we are undoubtedly appeasing the Russians and increasing their belief that we will finally give in to their demands."
11. JAPAN: Soviet decision on reparations due soon--Ambassador Smith has learned that Novikoff hopes to have the Soviet decision on Japanese reparations in two or three days.
12. PHILIPPINES: Hukbalahap activity--The Commanding General Army Forces, Western Pacific reports that a significant concentration of Hukbalahap troops has seized Masantol, in Pampanga Province, northwest of Manila, enforced civilian subsistence of troops, and organized positions for offense and defense. Huk leaders are reported to regard their present truce with the Government as part of Huk "strategy for reorganization, deployment and logistics."
13. CHINA: Seizure of properties financed by US labor--US Consul General Chungking reports that on 6 August local police and municipal officials seized the local property and personnel of the Chinese Federation of Labor. Most of the seized property had been acquired by the Federation with funds supplied by American labor organizations. US Labor Attaché Shanghai believes that the incident will stand as a general symbol of governmental suppression of trade unionism in China.
14. SIAM: Military students to US--US Military Attaché Bangkok has expressed the belief that unless the US admits Siamese students to US military schools, "the swing towards Britain will be such as to nullify our present preferential position with the Siamese."

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